

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF DANBURY)	
CELLULAR TELEPHONE CO. AND SOUTH)	
CENTRAL KENTUCKY CELLULAR CORP. FOR)	
APPROVAL OF THE TRANSFER OF THE)	
JURISDICTIONAL ASSETS AND)	CASE NO. 91-244
LIABILITIES OF SOUTH CENTRAL)	
KENTUCKY CELLULAR CORP. TO DANBURY)	
CELLULAR TELEPHONE CO. AND OF)	
RELATED FINANCING TRANSACTIONS)	

O R D E R

This matter arising upon petition of Danbury Cellular Telephone Co. ("Danbury Cellular") and South Central Kentucky Cellular Corp. ("South Central") filed July 19, 1991 pursuant to 807 KAR 5:001, Section 7, for confidential protection of portions of the Purchase Agreement between Danbury Cellular and South Central (Confidential Exhibit 1), the pro forma balance sheet and cash flow projection for the RSA #5 System (Confidential Exhibit 3), and portions of the Commitment Letter between Central Trust Company and ACC Corp. (Confidential Exhibit 6) on the grounds that disclosure of the information is likely to cause Danbury Cellular competitive injury, and it appearing to this Commission as follows:

In this proceeding, Danbury Cellular and South Central seek the approval of the transfer of the jurisdictional assets and liabilities of South Central to Danbury Cellular. In support of the application, Danbury Cellular has filed a copy of the Purchase

Agreement with South Central (Confidential Exhibit 1), which contains the terms and conditions of the transfer described in the application, a pro forma balance sheet (Confidential Exhibit 3), which reflects the anticipated status of the RSA #5 System immediately after the transfer and a two-year cash flow projection for the RSA #5 System, and the Commitment Letter between Central Trust Company and ACC Corp. (Confidential Exhibit 6), which outlines the terms and conditions of the Transfer Financing.

The information sought to be protected is generally not known outside the businesses of Danbury Cellular and South Central and is not disseminated within those businesses except to those employees who have a legitimate business need to know and act upon the information. Danbury Cellular and South Central have sought to protect and preserve the confidentiality of the information through all appropriate means.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive harm to the party from whom the information was obtained. In order to satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

The cellular telephone market is a competitive industry and Danbury Cellular and South Central will face competition in the Rural Statistical Areas which they propose to serve. The

information sought to be protected would give competitors an in-depth knowledge of the prospective construction, management and operation of Danbury Cellular's system, as well as the economics of provision of service by Danbury Cellular. The information also reflects the results of Danbury Cellular's regulatory, financial, and marketing strategy. Competitors could use the information to structure rates below those required by Danbury Cellular and to develop marketing strategies to offset those developed by Danbury Cellular. Therefore, disclosure of the information is likely to cause competitive injury and the information is entitled to protection as confidential.

This Commission being otherwise sufficiently advised,

IT IS ORDERED that:

1. Those portions of the Purchase Agreement between Danbury Cellular and South Central (Confidential Exhibit 1), underscored on pages 3, 6, 7, 26, 31, 35, and 37 of the exhibit, the pro forma balance sheet which reflects the anticipated status of the RSA #5 System immediately after the transfer and the two-year cash flow projection for the RSA #5 System (Confidential Exhibit 3), and the Commitment Letter between Central Trust Company and ACC Corp. (Confidential Exhibit 6), which Danbury Cellular and South Central have petitioned be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

2. Danbury Cellular and South Central shall, within 10 days of the date of this Order, file an edited copy of Confidential Exhibits 1, 3, and 6 with the confidential material obscured for

inclusion in the public record, with copies to any party of record.

Done at Frankfort, Kentucky, this 6th day of August, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director